

Internal Revenue Service

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Department of the Treasury

Washington, DC 20224

Third Party Communication: None

Date of Communication: Not Applicable

Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:CORP:B06

PLR-110373-15

Date:

August 11, 2015

Legend

New Parent =

Subsidiary 1 =

Subsidiary 2 =

Date 1 =

Date 2 =

Date 3 =

Date 4 =

Date 5 =

Company Official =

Tax Professional =

Dear _____ :

This letter responds to a letter from your authorized representative, dated March 20, 2015, requesting an extension of time under §§ 301.9100-1 and 301.9100-3 of the Procedure and Administration Regulations to file an election. The extension is being requested for New Parent, Subsidiary 1, and Subsidiary 2 (the "New Parent Group") to make an election to file a consolidated Federal income tax return, with New Parent as the common parent, under § 1.1502-75(a)(1) of the Income Tax Regulations (the "Election"), for the taxable year ending Date 3. The material information submitted for consideration is summarized below.

New Parent was formed on Date 1. Through a series of transactions culminating on Date 2, New Parent became the common parent of New Parent Group. Until its acquisition by New Parent on Date 2, Subsidiary 1 had been the common parent of its own consolidated group consisting of Subsidiary 1 and Subsidiary 2 ("Subsidiary 1 Group").

An election for the New Parent Group to file a consolidated income tax return, with New Parent as the common parent, for the taxable year ending Date 3, was required to be filed no later than the last day prescribed by law (including extensions of time) for the filing of New Parent's return. However, for various reasons, a valid Election for the New Parent Group (*i.e.*, the filing of the consolidated return) was not filed by the due date of New Parent's return. Subsequently, this request was submitted, under § 301.9100-3, for an extension of time to file the Election. The period of limitations on assessment under § 6501(a) will not expire for New Parent, Subsidiary 1, or Subsidiary 2 for the taxable years ending Date 2 or Date 3 or any subsequent taxable year prior to Date 5. New Parent has represented that it does not seek to alter a return position for which an accuracy-related penalty has been or could be imposed under § 6662 at the time of this request for relief.

Section 1.1502-75(a)(1) of the Income Tax Regulations provides, in part, that an affiliated group of corporations which did not file a consolidated return for the immediately preceding taxable year may file a consolidated return in lieu of separate returns for the taxable year, provided that each corporation which has been a member of the group during any part of the taxable year for which the consolidated return is to be filed consents, in accordance with § 1.1502-75(b) of the regulations, to the regulations under § 1502. If a group wishes to exercise its privilege of filing a consolidated return, such consolidated return must be filed not later than the last day prescribed by law (including extensions of time) for the filing of the common parent's return.

Under § 301.9100-1(c), the Commissioner has discretion to grant a reasonable extension of time to make a regulatory election or a statutory election (but no more than six months except in the case of a taxpayer who is abroad), under all subtitles of the

Internal Revenue Code except subtitles E, G, H, and I.

Sections 301.9100-1 through 301.9100-3 provide the standards the Commissioner will use to determine whether to grant an extension of time to make a regulatory election. Section 301.9100-1(a). Section 301.9100-2 provides automatic extensions of time for making certain elections. Requests for relief under § 301.9100-3 will be granted when the taxpayer provides evidence to establish to the satisfaction of the Commissioner that the taxpayer acted reasonably and in good faith, and that granting relief will not prejudice the interests of the government. Section 301.9100-3(a).

In this case, the time for filing the Election is fixed by the regulations (*i.e.*, § 1.1502-75(a)(1)). Therefore, the Commissioner has discretionary authority under § 301.9100-3 to grant an extension of time for New Parent to file the Election, provided New Parent shows it acted reasonably and in good faith, the requirements of §§ 301.9100-1 and 301.9100-3 are satisfied, and granting relief will not prejudice the interests of the government.

Information, affidavits, and representations submitted by New Parent, Company Official, and Tax Professional explain the circumstances that resulted in the failure to timely file the Election. The information establishes that the taxpayers reasonably relied on a qualified tax professional who failed to make, or advise the taxpayers to make, the Election, and that the request for relief was filed before the failure to make the Election was discovered by the Internal Revenue Service. See § 301.9100-3(b)(1)(i) and (v).

Based on the facts and information submitted, including the representations made, we conclude that New Parent has shown it acted reasonably and in good faith, the requirements of §§ 301.9100-1 and 301.9100-3 are satisfied, and granting relief will not prejudice the interests of the government. Accordingly, provided that the New Parent Group qualifies substantively to file a consolidated return for the applicable taxable year, and that New Parent, Subsidiary 1, and Subsidiary 2, on or before Date 4, file or amend, if and as necessary, all returns for the tax years ending Date 2 or Date 3 to be consistent with the filing of a consolidated return for the New Parent Group for the taxable year ending Date 3, we grant an extension of time, under § 301.9100-3, until Date 4, for New Parent to file the Election (by filing a consolidated return, with New Parent as the common parent, and attaching a Form 1122 for each of Subsidiary 1 and Subsidiary 2) for the taxable year ending Date 3. The New Parent Group must attach a copy of this ruling letter to such return, or if the New Parent Group files the return electronically, a statement must be attached to the return that provides the date and the control number (PLR-110373-15) of this ruling letter.

The above extension of time is conditioned on the New Parent's, Subsidiary 1's, and Subsidiary 2's tax liability (if any) being not lower, in the aggregate, for all years to which the Election applies, than it would have been if the Election had been timely made (taking into account the time value of money). No opinion is expressed as to the tax

liabilities for the years involved. A determination thereof will be made by the applicable Director's office upon audit of the Federal income tax returns involved.

We express no opinion with respect to whether, in fact, the New Parent Group qualifies substantively to file a consolidated return. In addition, we express no opinion as to the tax effects or consequences of filing the return or the Election late under the provisions of any other section of the Code or regulations, or as to the tax treatment of any conditions existing at the time of, or effects resulting from, filing the return or the Election late that are not specifically set forth in the above ruling.

For purposes of granting relief under § 301.9100-3, we relied on certain statements and representations made by New Parent, Company Official, and Tax Professional. However, the Director should verify all essential facts. In addition, notwithstanding that an extension is granted under § 301.9100-3 to file the Election, penalties and interest that would otherwise be applicable, if any, continue to apply.

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, copies of this letter are being sent to your authorized representatives.

Sincerely,

Ken Cohen

Ken Cohen
Senior Technician Reviewer, Branch 3
Office of Associate Chief Counsel (Corporate)

cc: